

January 26, 2004

From: 304 South Lee Street
Alexandria, VA 22314
Phone: (703) 836-2610
Fax: (703) 548-9412

To: Mail Stop Interference,
Director of the United States Patent and Trademark Office,
P.O. Box 1450, Alexandria, VA 22313-1450.
Attention: Mr. Richard Torczon:

Comments on proposed Rules of Practice Before the Board of Patent Appeals and Interferences that appeared in the Federal Register, Vol. 68, No. 228, Wednesday, November 26, 2003.

Although the proposed rules are well written and well thought out, I believe that a number of changes to the proposed rules should be made before the rules are enacted, and appreciate the opportunity to present the following comments, and proposed revisions, to the proposed rules for your consideration.

1. Proposed Rule 1.292:

I recommend changing 37 CFR §1.292 Public Use Proceedings to read as follows:

Sec. 1.292 Public use proceedings.

(a) When a petition for the institution of public use proceedings, supported by affidavits or declarations is found, on reference to the examiner, to make a prima facie showing that the invention claimed in an application believed to be on file had been in public use or on sale more than one year before the filing of the application, a hearing may be had before the Director to determine whether a public use proceeding should be instituted. If instituted, the Director may designate an one or more appropriate officials including officials from the Patent Examining Corps and the Board of Appeals and Interferences to conduct the public use proceeding, including the setting of times for taking testimony and conduct of the proceeding, which shall be taken as provided by part 41, subpart D, of this title modified as appropriate to apply to public use proceedings. The petitioner will be heard in the proceedings but after decision therein will not be heard further in the prosecution of the application for patent.

* * * *

I also recommend amending 37 CFR §41.121 to include authorizing motions for appropriate relief in a public use proceeding or a NASA or DOE title proceeding or other contested case.

Subpart D of Part 41 is phrased in terms of a Board deciding additional discovery or taking certain other actions. This should be modified to permit a single Board member to order additional discovery or other appropriate relief in a public use proceeding, for example.

Part 41, subpart D does not appear to have been written with public use proceedings or NASA or DOE title proceedings in mind. I suggest that these types of proceedings be taken into consideration before part 41, subpart D is enacted.

2. Section 41.3 Petitions:

I recommend modifying proposed Section 41.3, so that it differentiates between Rule 181, Rule 182 and Rule 183 type petitions, not all of which can necessarily be, or are as a matter of policy, delegated to the Chairman of the Board.

Additionally, I recommend that the rule read, in pertinent part: --The Chief Administrative Patent Judge may delegate authority to persons other than those who have participated in the merits of the decision(s) complained of in a petition. -- to reflect the absence of the appearance of a conflict of interest by individuals selected to decide petitions on behalf of the Chief APJ.

3. Section 41.5 Counsel:

I strongly recommend against enacting proposed §41.5. The only "procedure" required to disqualify counsel is not defined in any manner. The number of Board members involved is not specified, the standard of evidence is not presented. I believe that many attorney disqualification proceedings require a clear and convincing evidence standard and require a complaint to be filed by an aggrieved third party. The proposed rule does not state who the aggrieved third party is. Is it the Board or the public or an opposing party or a third party intervener?

a. No standards are, or guidance is, presented regarding who is to give evidence and/or to evaluate the different perspectives of the presenters of the evidence. If the Board gives evidence is there not an inherent conflict of interest that precludes the Board from being fair and objective? Will the Board be permitted to be both the presenter of evidence for disqualification and the decider thereof?

b. No guidance is given concerning establishment of a counsel disqualification administrative hearing process and no study appears to have been made concerning the effectiveness of whatever process is to be adopted to adjudicate counsel disqualification matters in a fair and impartial manner.

c. Nothing is presented concerning expectations of the role and responsibility of the decision-makers and discuss the rights of the respective parties to whatever disqualification hearing is held.

d. APJ's normally do not preside over live testimony. The proposed rule presents no factors that can assist APJ's in determining whether live witness testimony is credible and if any live evidence is reliable.

e. Nothing is presented regarding what hearing standards will be put in place to ensure a fair and impartial hearing for the counsel who may be disqualified.

f. No guidance is presented to explain how Board members should conduct and control a disqualification hearing without limiting or interfering with the participants' ability to present their arguments in a fair and just manner.

g. Nothing is presented concerning what procedural due process safeguards will be afforded to counsel in administrative disqualification hearings.

h. Nothing is mentioned about requiring Board members to keep up to date on recent developments in legal ethics that may impact hearing officials, including confidentiality, disqualification, conflicts of interest, ex parte communication, and avoiding influences that may bring impartiality into question.

i. Nothing is mentioned about giving Board members meaningful training involving the types of issues and ways to handle those issues that are applicable to counsel disqualification cases?

These concerns should be addressed by the USPTO before enacting such a rule. Until these concerns are addressed, I do not recommend enacting this rule. Accordingly, Section 41.104 should not be adopted at this time.

I also recommend limiting the Board's disqualification authority to just making recommendations to the Commissioner or Director, rather than having the power themselves to disqualify.

With respect to the proposed requirement for practitioners to obtain of Board authorization to withdraw as counsel, I recommend changing that to state that approval to withdraw may require Board permission or Commissioner or Director Permission. This will permit workload considerations among the various PTO branches to be taken into consideration in being able to render an expeditious decision in disqualification matters.

4. Section 41.7 Management of the Record:

I recommend restating Section 41.7(b) to read

Sec. 41.7 Management of the record.

(a) The Board may expunge any paper that is not authorized under this part or in a Board order, or that is filed contrary to a Board order.

~~(b) A party may not file a paper previously filed in the same Board proceeding, not even as an exhibit or appendix, without Board authorization.~~ Copies of papers previously filed should not normally be filed in the same Board proceeding and may be returned or expunged by the Board to avoid unnecessary increases in the size of the file of that proceeding.

This re-wording eliminates the extra bureaucratic step of requiring Board permission before filing a duplicate paper, which may even be desired by the Board in particular situations, especially if it is a short paper.

5. Section 41.47(a) Oral Hearing:

I recommend changing the second sentence of paragraph (a) to read

Sec. 41.47 Oral hearing.

(a) An oral hearing should be requested only in those circumstances in which appellant considers such a hearing necessary or desirable for a proper presentation of the appeal. ~~An appeal decided on the briefs without an oral hearing will receive the same consideration by the Board as appeals decided after an oral hearing.~~ Every effort will be made by the Board to decide appeals without an oral hearing as fairly and impartially as it decides appeals with an oral hearing.

The current statement that an appeal without an oral hearing will be decided the same way as an appeal with an oral hearing denies the fact oral and written presentations differ in many respects and the fact that oral presentations are not cut and dried like many written briefs.

6. Section 41.47(f) Oral Hearing:

This rule should make it clear that a party is entitled to an oral hearing if the party notifies the Board timely and pays the fee for an oral hearing. I recommend amending the rule to state:

(f) Notwithstanding the submission of a request for oral hearing complying with this rule, if the Board decides that a hearing is not necessary, the Board will so notify appellant and provide appellant an opportunity to indicate whether or not to hold an oral hearing.

7. Section 41.104(a) Conduct of Contested Cases:

This proposal basically eliminates requiring any consistency among APJ's or any procedural and/or substantive due process accorded parties in this regard. This proposed rule codifies an ad hoc approach that is unfair to parties that want a reasonably uniform set of procedures regarding conducting a patent interference proceeding.

Permitting an APJ to waive any rule overturns longstanding precedent which requires the Commissioner and/or the Commissioner's delegate be able to waive a Rule of Practice.

It also lessens the ability of a patent practitioner to be able to counsel clients on what is expected in a patent interference proceeding in the sense that a practitioner can rely on the rules of practice absent waiver by the Commissioner or the Commissioner's delegate, which is independent of an APJ conducting the proceeding.

Traditionally, only the Commissioner could waive a Rule of Practice and only upon petition under 37 C.F.R. §1.183. This authority can be delegated in some instances and is often delegated in some instances to the Chairman of the Board.

Permitting each and every APJ to be able to waive any rule at any time invites arbitrary and capricious conduct by Board members and denies parties fundamental procedural and substantive due process standards. This rule may mean, for example, that the Federal Rules of Evidence can be made not to apply to a patent interference proceeding.

This rule removes the guidance given to practitioners who expect to follow the established rules of practice only to find that an APJ can change the ground rules at any stage in the interference proceeding.

Accordingly, I recommend deleting proposed section 41.104(b).

8. Section 41.105 Ex parte Communications:

This proposal appears to be unreasonably restrictive. A more reasonable approach could incorporate the four exceptions mentioned in the commentary.

Patent practitioners need to be able to contact Board personnel on an expedited ex parte basis for procedural advice. Practitioners will want to ask procedural questions without having to conduct an inter partes interview to avoid tipping their hand to the other parties.

Prior to the enactment of the 1984 Rule Package, the Board had Interlocutory Examiners who could and did provide procedural advice on an ex parte basis. This was a great help to patent practitioners.

I recommend that the Board consider having a Help Desk like the Patent Assistance center or the PCI Help Desk that is staffed on a rotating basis by Board members – like the duty officer of the day – to field procedural questions on an ex parte or inter partes basis.

If a Board member sitting on the Help Desk realizes that the question pertains to a matter that is substantively before that Board member, then he or she can refer the caller to another, alternate, Help Desk member.

9. Section 41.106(b)(ii) Filing and Service:

I recommend making the following changes in this proposed rule:

(b) Papers other than exhibits. - (1) Cover sheet. (i) The cover sheet must include the caption the Board specifies for the proceeding, a header indicating the party and contact information for the party, and a title indicating the sequence and subject of the paper. For example, "JONES MOTION 2, For benefit of an earlier application".

(ii) If the Board specifies a color other than white for the cover sheet, the cover sheet ~~must~~ should be that color or another distinctive-from-white color.

(2) Papers ~~must~~ should have two 0.5 cm (1/4 inch) holes with centers 1 cm (1/2 inch) from the top of the page and 7 cm (2 3/4 inch) apart, centered horizontally on the page.

(3) Incorporation by reference; combined papers. Arguments ~~must~~ should not normally be incorporated by reference from one paper into another paper. Combined motions, oppositions, replies, or other combined papers are not normally permitted.

This section perpetuates very formalistic standards for minor matters. The Board operated very well for over a hundred years without such requirements and should return to those pre-1995 days. A Rule of Practice is not the place for such requirements in the sense that a practitioner should not have to file a petition to waive a rule in order to remove such a very formalistic practice.

An alternative would be for the Board to keep stocks of different colored paper on hand and having a clerk attach a suitable color cover sheet to papers filed in a Patent Interference Proceeding.

10. Sections 41.110(b)(1), (2) and (c) Filing Claim Information:

I recommend changing this rule, as follows

(b) Annotated copy of claims. Within 28 days of a decision on preliminary motions pertaining to the subject matter in issue, with or without a redeclaration of the interference the initiation of the proceeding, each party must:

(1) For each involved claim having a limitation that is illustrated in a drawing or biotechnology material sequence, file an annotated copy of the claim indicating in bold face between braces ({ }) where each limitation is shown in the drawing or sequence.

(2) For each involved claim that contains a means-plus-function or step-plus-function limitation in the form permitted under 35 U.S.C. 112[6], file an annotated copy of the claim indicating in bold face between braces ({ }) the specific portions of the specification that describe the structure, material, or acts corresponding to each claimed function.

(c) Any motion to amend a claim or add a reissue claim must include an addendum containing a clean set of the claims and, where applicable, an addendum containing claims annotated according to paragraph (b) of this section.

A party should not have to go through this exercise more than once in a patent interference proceeding, and the subject matter in issue has been established with certainty, which will not be at least until the preliminary motions have been decided.

Making the parties go through this time consuming and potentially estoppel-creating exercise before the subject matter that will really be in issue is unfair to the parties by requiring them to issue advisory opinions with respect to only potentially interfering subject matter. Historically, the Board itself does not issue advisory opinions in a matter, and the parties should not have to do so, either.

11. Section 41.120 Notice of Basis for Relief:

This proposed rule sets a trap for the unwary. For example, what is meant by ambiguity and how does finding an ambiguity by a Board Member justify treating it as an admission against interest?

This rule goes far beyond any prior precedent and violates parties' substantive and procedural due process rights. In Flehmig v. Giesa (BdPatApp&Int) 13 USPQ2d 1052 (7/17/1989) it was held that that for an admission to be used against a party, it must be clear, unequivocal and unmistakable. See also, Harner et al. v. Barron et al., 215 USPQ

743 (Comr Pats 1981), Suh v. Hoefle (BdPatApp&Int) 23 USPQ2d 1321 (4/30/1991), Issidorides v. Ley (BdPatApp&Int) 4 USPQ2d 1854 (4/2/1985) and Ex parte The Successor In Interest Of Robert S. McGaughey (BdPatApp&Int) 6 USPQ2d 1334 (3/4/1988).

This proposed rule eliminates established patent interference practice safeguards that provide parties with substantive and procedural due process and can reasonably be considered to constitute an unfair trap that may well result in unfair rendering of summary judgments against parties.

12. Section 41.121 (c)(4) Motions:

I recommend changing this proposed rule to read:

(c) Content of motions; oppositions and replies. (1) Each motion must be filed as a separate paper and must include:

(i) A statement of the precise relief requested,

(ii) A statement of material facts in support of the motion in short numbered paragraphs, with specific citations to the portions of the record that support each fact, and

(iii) A full statement of the reasons for the relief requested, including a detailed explanation of the significance of the evidence and the governing law, rules, and precedent.

(2) Compliance with rules. Where a rule in part 1 of this title ordinarily governs the relief sought, the motion must make any showings required under that rule in addition to any showings required in this part.

(3) The Board may order additional showings or explanations as a condition for filing a motion.

(4) Oppositions and replies must comply with the content requirements for motions and must include a statement identifying material facts in dispute. Any material fact placed in issue by the parties or the Board not specifically denied will be considered admitted.

This amendment will provide adequate notice to the parties of what the opposing party(ies) and the Board consider to be material facts in dispute.

13. Section 41.125(a) Decision on motions:

I propose that this rule should be amended, as follows"

Sec. 41.125 Decision on motions.

(a) Order of consideration. The Board may take up motions for decisions in any reasonable order, may grant, deny, or dismiss any motion, and may take such other action appropriate to secure the just, speedy, and ~~inexpensive~~ reasonable determination of the proceeding. A decision on a motion may include deferral of action on an issue until a later point in the proceeding.

This proposed rule seems to focus on inexpensiveness instead of reasonableness.

Including "inexpensive" in the rule should not detract from the far more important factor of reasonableness.

14. Section 41.127 Judgment:

It is not clear why "Abandonment of the Invention" is not mentioned as the basis for an adverse judgment. I suggest that it be added, as follows:

(b) Request for adverse judgment. A party may at any time in the proceeding request judgment against itself. Actions construed to be a request for adverse judgment include:

(1) Abandonment of an involved application such that the party no longer has an application or patent involved in the proceeding,

(2) Cancellation or disclaiming of a claim such that the party no longer has a claim involved in the proceeding,

(3) Concession of priority or unpatentability of the contested subject matter, and

(4) Abandonment of the Invention, and

(5) Abandonment of the contest.

15. Section 41.202(c) Suggesting an interference:

This proposed rule appears to present a dilemma to a party. If a party is not sure whether it can make the proposed claim and does not want to get sanctioned for making arguments that it can make the claim as being based on bad faith, what is that party to do? I suggest changing the proposed rule to read that failure to make the suggested claim or patentably indistinct claim within the time suggested may be considered to be a

concession of priority with respect to the exact suggested claim only if the Examiner explains, in writing, during the prosecution of the Application in which the requirement is made why an allegedly patentably indistinct timely presented claim is patentably distinct from the suggested claim.

This rule also assumes that Examiners can write claims that capture the applicant's invention without regard to what the Applicant believes is its invention, even though it is not an Examiner's job to write a claim for an applicant. The proposed revision is:

(c) Examiner. An examiner may require an applicant to add a claim to provoke an interference. Failure to satisfy the requirement by adding a proposed claim exactly and/or a claim that is patentably indistinct from the proposed claim within a period (not less than one month) the examiner sets will operate as a concession of priority for the subject matter of the claim. The claim the examiner proposes to have added must, apart from the question of priority under 35 U.S.C. 102(g):

(1) Be patentable to the applicant and

(2) Be drawn to patentable subject matter claimed by another applicant or patentee.

16. Section 41.202(d) Suggesting an interference:

This proposed rule removes the 3 month for simple cases and 6 months for complex cases grace period for having a patent interference proceeding set up by an Examiner. It means that Examiners are now given an incentive to pass out any cases claiming patentably distinct subject matter even if the cases were filed one day apart. This appears to lessen the PTO's incentive to set up patent interference proceedings and forces applicants in the majority of cases to wait until they become patentees, learn of another copending application after it issues as a patent and then be required to file a reissue application to get into a patent interference proceeding with the other patent.

This proposed rule also lessens the incentive of the Office to do a patent interference search and causes the public to be faced with paying royalties to two different patentees while the Office has less incentive to find interfering subject matter among pending patent applications and to set up a patent interference proceedings despite the fact that identifying interfering subject matter is in the public interest.

When image file wrapper is a reality, and it is existing in many Examining Groups now, patent interference searching should be much easier and more reliable than it has been. I recommend that the PTO concentrate on enhancing their ability to find interfering subject matter.

I also recommend retaining the two tier approach of existing Rules 608 and 617:

(d) Requirement to show priority under 35 U.S.C. 102(g). (1) When an applicant has an earliest constructive reduction to practice that is more than three months later, in the case of a simple invention, and more than six months later, in the case of a complex invention, than the apparent earliest constructive reduction to practice for a patent or published application claiming interfering subject matter, the applicant must show why it would prevail on priority.

(2) If an applicant fails to show priority under paragraph (d)(1) of this section, an administrative patent judge may nevertheless declare an interference to place the applicant under an order to show cause why judgment should not be entered against the applicant on priority. New evidence in support of priority will not be admitted except on a showing of good cause. The Board may authorize the filing of motions to redefine the interfering subject matter or to change the benefit accorded to the parties.

17. Section 41.203(d) Declaration:

This rule goes beyond established precedent and allows a party to add a non-involved patent application of another party to the patent interference proceeding.

This goes beyond what previous rules of practice have traditionally allowed. See, for example, Gerk v. Cottringer, 17 USPQ2d 1615 (B. Pat. App. & Int. 1991).

However, the proposal is not unrealistic because it does not necessarily require a patentee to file a reissue application to provoke a patent interference proceeding with another party's non-involved patent.

If permitted, in addition to the showings required by 37 CFR §41.202(a), a showing by the movant of patentability over prior art of the claims in the non-involved application of another party should be required, especially if the non-involved application is under rejection over prior art.

18. Section 41.207(d) Presumptions:

This proposed rule sets forth a presumption that even the CCPA or CAFC would make. See, for example, Fujikawa v. Wattanasin (CA FC) 39 USPQ2d 1895 (8/28/1996). Such a bright line presumption appears to me to be unrealistic, arbitrary and capricious, especially in view of the fact that not all inventors have the assets to file a patent application within a certain time frame, and because even large corporations have inventions that get administratively lost in the shuffle.

The proposed change is not supported, for example, by any empirical data which indicates how many Interferants would fall in this category. I do not believe that any

such statistics have ever been kept or published by the PTO, but should be before such a drastic presumption is made into a Rule of Practice.

I believe that the burden placed on parties with such a drastic rule change is very burdensome, is fundamentally unfair, and denies parties procedural and substantive due process. The Rules of Practice should be fair to the parties. This proposal merely makes the burden on a party to a patent interference proceeding greater and more unfair.

19. Section 41.208(d) Content of substantive and responsive motions:

Requiring claim charts exalts form over substance, increasing expenses to the parties, and giving the Board a questionable tool to hold something presented in these charts against the parties as an admission or an ambiguity to construe against a party. Moreover, claim charts may or may not be needed in a particular case. I suggest the following change to the proposed rule:

(d) Claim charts. Claim charts ~~must~~ may be used in support of any paper requiring the comparison of a claim to something else, such as another claim, prior art, or a specification. Claim charts must accompany the paper as an appendix. Claim charts are not a substitute for appropriate argument and explanation in the paper.

Thank you for your consideration in this important matter.

Sincerely,

Robert J. Webster